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RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9759
RUEHKO/AMEMBASSY TOKYO PRIORITY 0898
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1786
RHEFDIA/DIA WASHDC PRIORITY
RUEHGV/USMISSION GENEVA PRIORITY 1134
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C O N F I D E N T I A L KATHMANDU 001290

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DEPT FOR SCA/INS

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [PREF](#) [ETRD](#) [NP](#)
SUBJECT: FM OLI TELLS DIPLOMATIC COMMUNITY MAOISTS MUST
FORSEAR VIOLENCE TO ENTER MAINSTREAM

REF: A. KATHMANDU 1198

- [1](#)B. KATHMANDU 1183
- [1](#)C. KATHMANDU 1199
- [1](#)D. KATHMANDU 1268
- [1](#)E. KATHMANDU 1286

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b,d).

Summary -----

[1](#)1. (U) In a May 19 briefing for the diplomatic community, Deputy Prime Minister and Foreign Minister K.P. Oli said Nepal's relationship with its immediate neighbors would remain unchanged, and that Nepal would continue its policy of friendship and cooperation with all countries. He highlighted Nepal's bid for a non-permanent seat in the United Nations Security Council (ref A) explaining that Nepal wanted to repair its "tarnished" international image. Oli asked development partners to resume suspended development assistance with increased volume, and asked for help in developing Nepal as a tourist destination. Oli stressed that Nepal supported human rights. On Bhutanese refugees, he said Nepal still believed in a bilateral solution, but would work with the international community to find a just solution acceptable to all. Oli also insisted that Nepal's Maoists must abandon violence before they could enter the political mainstream. End Summary.

Continuity in Foreign Policy -----

[1](#)2. (U) Oli assured the gathered diplomats that Nepal would continue "the policy of friendship and cooperation with all countries in the world on the basis of sovereign equality and mutuality of interest." Oli stated that Nepal's foreign policy would be guided by the "universal values of democracy, human rights and fundamental freedoms, and the rule of law in addition to the established guiding principles and norms of international law." He said Nepal's policy toward its "immediate neighbors" would remain unchanged. Oli said that

Nepal "strongly advocates for general and complete disarmament" under effective international control, and wanted a world free of weapons of mass destruction.

Desire To Play Active International Role

¶3. (U) Saying Nepal wanted to "refurbish" its "tarnished image" in the international community, Oli discussed Nepal's "fervent request" for support for Nepal's candidacy for a non-permanent seat on the UN Security Council for the 2007-2008 period. Oli said that Nepal advocated democratic decision-making in all multilateral institutions. "We call for a strong, effective, credible and democratic UN to deal with the multifaceted global problems of the twenty-first century." He said Nepal would remain active in pursuing the objectives of the non-aligned-movement (NAM), the G77, and other multilateral groupings "to further the cause of developing countries." He pled for the rights of landlocked countries. Oli said that he would lead Nepal's delegation to the Ministerial Meeting of the Coordinating Bureau of the NAM at the end of May in Malaysia. He said Nepal would continue to play an active role in SAARC and BIMSTEC. Oli "firmly" believed that a multilateral trading regime should be responsive to the needs of least-developed countries. He added that Nepal did not want a world divided along North-South lines.

Economic Assistance Needed

¶4. (U) Oli said the armed conflict and political instability "badly affected" Nepal's economy. He thanked the international community for supporting the democratic

movement and, referring to Nepal's white paper (septel), he asked all development partners in Nepal "to resume suspended development assistance immediately with increased volume." Noting Nepal's WTO membership, he asked for "favorable access to world markets," and called upon trading partners to "provide additional trading facilities by adopting concessionary measures." Oli said Nepal welcomed foreign investment "in almost all" sectors of the economy. He urged the international community to support Nepal as a tourist destination, and asked for greater employment opportunities for Nepalese abroad. He concluded, "all these will have a positive bearing on our poverty reduction efforts and on eliminating the root causes of socio-economic conflicts."

Supports Human Rights

¶5. (U) Oli stressed that Nepal was committed to human rights. He highlighted the Cabinet's appointment of a judicial committee (ref B) to probe use of excessive force during the April people's movement, and said the government was "seriously working on how best to strengthen the capacity of the National Human Rights Commission." He added that the government would work closely with OHCHR "to create an environment in which full enjoyment of human rights by all is guaranteed."

Bhutanese Refugees

¶6. (U) Oli noted that Nepal was "determined to seek a lasting solution" to the problem of Bhutanese refugees in Nepal. Nepal was "ready to adopt a flexible approach if Bhutan reciprocates with sincerity." However, Bhutan's continued refusal to "accept its citizens" back delayed the solution. "We still believe in a bilateral solution" to this problem, he said. He continued, "we still believe that Bhutan will demonstrate enough courage and determination to take bold decisions." However, he concluded, "we will be working with the international community to find a just and fair solution acceptable to all." In response to questions from both the German and Norwegian Ambassadors, Oli reiterated that while the issue was really between the Bhutanese people and their

government (ref C), Nepal was "ready to accept other alternatives if other solutions can work to resolve the issue."

Current Political Situation

17. (U) Oli said that that the unprecedented people's movement taught the "bitter but true" lesson to autocratic rulers that "people power is invincible." He highlighted the May 18 Declaration transferring sovereignty to the Parliament (ref D) until a new Constitutional arrangement was made. He explained that Nepali people themselves will write the Constitution by electing a constituent assembly. He commented that "this is not the time to bask in victory." People needed to keep a "vigilant eye on the remnants of the devastated autocratic regime" as events were still "fluid" and royalists were "peeping through sordid holes." He said the government planned to move ahead based on the six-point roadmap of the seven-party alliance, and the 12 point understanding with the Maoists, explaining that the constituent assembly could be an instrument to resolve the armed conflict. He said the government was moving ahead with trust and confidence, and urged the Maoists to do the same. He stated that the government was ready to "enter into agreement with the Maoists to develop a mechanism to ensure strict adherence to the code of conduct governing the cease-fire." He explained that the government was ready to work with the United Nations, including OHCHR, if the two sides "feel the need of some sort of international engagement."

18. (U) In response to a question on Maoist participation in an interim government, Oli said that he strongly favored an interim government with Maoist participation, but only if the Maoists met certain conditions. Those conditions included ending the possibility of future violence and intimidation, and demonstrating a willingness to enter the political mainstream. He noted that the Maoists continued extortion and intimidation, so it was inappropriate for them to enter the government at this stage. Answering a question, Oli said they were working to name replacements for recalled Ambassadors soon (ref B).

Comment

19. (C) The new government clearly hopes to gain international support, both monetary and moral, as it moves ahead. Both FM Oli and Finance Minister Mahat (ref E) have started to engage the international community to plead Nepal's case. Oli's categorical insistence that the Maoists must forswear violence to enter the political mainstream reflects increasing GON discomfort regarding widespread Maoist extortion, intimidation and preparations for war.

MORIARTY